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Co-Counsel for Plaintiff PHILIP RANNIS and the Class

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA, SOUTHERN DIVISION

PHILIP RANNIS,
on behalf of himself and all
others similarly situated,

Plaintiff,

vs.

FAIR CREDIT LAWYERS,
INC.; PETER L. RECCHIA;
and DOES 1 to 10;

Defendants.

Case No. EDCV-06-373-AG (JCx)

ORDER GRANTING FINAL
APPROVAL OF CLASS SETTLEMENT

This matter comes before the Court on Plaintiff's Motion for Approval of the Class Action Settlement Agreement. The Court being fully advised in the premises of the proposed Class Settlement,

A. Plaintiff Philip Rannis and Defendants Peter L. Recchia and Fair Credit Lawyers, Inc. have entered into a Class Action Settlement Agreement ("Settlement Agreement"), a copy of which is attached hereto, as Exhibit A.

1 B. The Settlement Agreement has been submitted to the Court for
2 approval pursuant to Rule 23(e) of the Federal Rules of Civil Procedure.

3 C. Pursuant to the Settlement Agreement, defendant Peter L.
4 Recchia will pay \$600 as damages to each of the 20 members of the Class, which
5 sum shall be deposited with the Class Administrator. Any amount from this pool
6 of money that is not distributed to class members (e.g. – because they cannot be
7 located or failed to deposit their check from the Class Administrator) shall be
8 distributed by the Class Administrator to the National Consumer Law Center, in
9 Boston, Massachusetts, as “cy pres.”

10 D. Pursuant to the Settlement Agreement defendant Peter L.
11 Recchia will pay \$5,000 to plaintiff class representative Philip Rannis.

12 E. Pursuant to the Settlement Agreement reasonable attorneys’
13 fees and costs shall be determined by the Court.

14 F. Defendant Peter L. Recchia reserves the right to appeal issues
15 of liability and attorneys fees and costs.

16 G. The Final Fairness Hearing was held before the undersigned on
17 October 27, 2008 at the Santa Ana Federal Courthouse.

18 H. Thirty-one persons have opted out of the entire Class of 51
19 persons who were given notice of the Class Settlement. One objection to the Class
20 Action Settlement Agreement was made.

21
22 IT IS HEREBY ORDERED THAT:

23 1. The Settlement Agreement is hereby approved. The Court finds the
24 settlement negotiations were conducted at arms-length and in good faith among
25 counsel for plaintiff and defendant and that the terms of the Settlement Agreement
26 are fair, reasonable and adequate to plaintiff and all class members. In addition to
27 the other factors stated herein, the Court finds the Settlement Agreement to be
28

1 particularly fair, adequate, and reasonable in light of the risk of establishing
2 liability and damages, and the expense of further litigation.

3 2. Plaintiff Philip Rannis and the Class Members who have not opted
4 out of the class and identified above are forever barred and enjoined from
5 initiating or further prosecuting in any forum whatsoever, including but not
6 limited to any Federal, State, or Foreign Court against defendant, its past or
7 present parents, affiliates, subsidiaries, successors, and assigns, and its respective
8 present or former directors, officers, employees or agents, any and all claims that
9 were asserted in this lawsuit. Defendant shall be barred identically from pursuing
10 any claims for relief against plaintiff Philip Rannis or members of the Class arising
11 out of their claims asserted here against defendant.

12 3. The Bill of Costs entered by the Clerk of the Court on March 12,
13 2007 (Doc. No. 84) in favor of Defendant Fair Credit Lawyers, Inc. against
14 Plaintiff Philip Rannis is vacated and shall have no force or effect.

15 4. Defendant Peter L. Recchia shall pay \$600 as damages to each of the
16 20 members of the Class, which sum shall be deposited with the Class
17 Administrator. Any funds from this pool of money that is not distributed to class
18 members (e.g. – because they cannot be located or failed to deposit their check
19 from the Class Administrator) shall be distributed by the Class Administrator to
20 the National Consumer Law Center, in Boston, Massachusetts, as “cy pres.”

21 5. Defendant Peter L. Recchia will pay \$5,000 to Plaintiff class
22 representative Philip Rannis.

23 6. Plaintiff’s Counsel shall, no later than 30 days of entry of this Order,
24 file a motion for an award of reasonable attorneys’ fees and expenses, which will
25 be determined by the Court.

26 7. Plaintiff’s Counsel shall, no later than 30 days of entry of this Order,
27 file a Bill of Costs, which will be determined by the Clerk of the Court, or by the
28 Court, if a party timely objects or files a motion to retax costs.

1 8. Defendant Peter L. Recchia shall file any appeal regarding issues of
2 liability within 30 days of the date of this Order. Defendant may timely appeal
3 any award of attorneys' fees and costs.

4
5 IT IS SO ORDERED.

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7 Dated:

8 ANDREW J. GUILFORD
9 UNITED STATES DISTRICT JUDGE
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Philip Rannis v. Fair Credit Lawyers, Inc. and Peter Recchia
Case No. EDCV-06-373-AG (JCx)

Exhibit A

**CERTIFIED
COPY**

UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF CALIFORNIA

WESTERN DIVISION

PHILIP RANNIS, ON BEHALF OF)
HIMSELF AND ALL OTHERS)
SIMILARLY SITUATED,)

PLAINTIFF,)

VS.)

FAIR CREDIT LAWYERS, INC.;)
PETER L. RECCHIA, AND DOES 1)
TO 10,)

DEFENDANT.)

CASE ED CV 06-373-AG(JCX)

LOS ANGELES, CALIFORNIA

JUNE 28, 2007

SETTLEMENT

BEFORE THE HONORABLE JACQUELINE CHOOLJIAN
UNITED STATES MAGISTRATE JUDGE

APPEARANCES:

FOR THE PLAINTIFF:

CONSUMER AND TAX LAW OFFICE OF
ROBERT STEMPLER

BY: ROBERT STEMPLER

ATTORNEY AT LAW

3400 INLAND EMPIRE BOULEVARD

SUITE 101

ONTARIO, CALIFORNIA 91764

FOR DEFENDANTS:

GINO PIETRO

PETER L. RECCHIA

ATTORNEYS AT LAW

1605 4TH STREET

SUITE 250

SANTA ANA, CALIFORNIA 92701

PROCEEDINGS RECORDED BY ELECTRONIC SOUND RECORDING;
TRANSCRIPT PRODUCED BY TRANSCRIPTION SERVICE.

1 APPEARANCES: (CONTINUED)

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I N D E X

CASE NO. ED CV 06-373-AG(JCX)

JUNE 28, 2007

HEARING: SETTLEMENT CONFERENCE.

1 LOS ANGELES, CALIFORNIA; JUNE 28, 2007

2 THE COURT: ALL RIGHT. WE ARE ON THE RECORD IN
3 PHILIP RANNIS VERSUS FAIR CREDIT LAWYERS, INC., ET AL.

4 PRESENT ON BEHALF OF PLAINTIFF IS PLAINTIFF HIMSELF
5 PETER RECCHIA --

6 MR. STEMLER: NO, ON THIS SIDE --

7 THE COURT: I'M SORRY. I HAVE THIS WRONG.

8 ON BEHALF OF PLAINTIFF IS PLAINTIFF HIMSELF MR.
9 RANNIS AND COUNSEL ROBERT STEMLER.

10 ON BEHALF OF DEFENDANT WE HAVE VIA TELEPHONE
11 COUNSEL GINO PIETRO AND IN PERSON PETER RECCHIA.

12 AND I SHOULD NOTE THAT MR. PIETRO AND MR. RECCHIA
13 ALSO ARE HERE ON BEHALF OF MR. RECCHIA AND FAIR CREDIT.

14 MR. RECCHIA: LAWYERS, INC.

15 THE COURT: LAWYERS, INC.

16 ALL RIGHT. THE PARTIES APPEAR TO HAVE -- AGAIN,
17 SUBJECT TO THE PRELIMINARY AND FINAL APPROVAL OF THE COURT
18 AND ANY OTHER APPLICABLE REQUIREMENTS OF FEDERAL RULE 23 (E)
19 OF THE FEDERAL RULES OF CIVIL PROCEDURE, PLAINTIFF PHILIP
20 RANNIS ON BEHALF OF HIMSELF AND ALL OTHER SIMILARLY SITUATED
21 AND DEFENDANTS PETER L. RECCHIA AND FAIR CREDIT LAWYERS, INC.
22 HAVE REACHED THE FOLLOWING AGREEMENT RELATIVE TO THE
23 SETTLEMENT OF THIS CASE.

24 1. DEFENDANT PETER L. RECCHIA AGREES TO PROVIDE TO
25 PLAINTIFF'S COUNSEL BY NO LATER THAN JULY 26TH, 2007 --

1 MR. STEMLER: JULY 6TH.

2 THE COURT: -- JULY 6TH, 2007 A DECLARATION
3 UNDER PENALTY OF PERJURY IN THE FORM DRAFTED BY PLAINTIFF'S
4 COUNSEL AND PROVIDED TO DEFENDANT THIS DATE.

5 THE DRAFT DECLARATION READS AS FOLLOWS. IT'S
6 ENTITLED "DECLARATION OF PETER L. RECCHIA."

7 "I, PETER L. RECCHIA, DECLARE UNDER PENALTY
8 OF PERJURY UNDER THE LAWS OF THE UNITED STATES
9 PER 28 UNITED STATES CODE SECTION 1746 THAT:
10 (1), THE TOTAL NUMBER OF INDIVIDUALS WHO
11 ENTERED INTO A CONTRACT WITH ME OR WITH MY
12 LAW FIRM FROM DECEMBER 2002 THROUGH THE PRESENT
13 DATE FOR NON-LITIGATION CREDIT IMPROVEMENT OR
14 CREDIT REPAIR AS STATED IN THE COURT'S MAY 23,
15 2007 ORDER GRANTING PARTIAL SUMMARY JUDGMENT IS"
16 BLANK, TO BE FILLED IN BY MR. RECCHIA.

17 PARAGRAPH NUMBER (2):

18 "OF THE TOTAL NUMBER OF INDIVIDUALS WHO
19 ENTERED INTO A CONTRACT WITH ME, OR WITH MY LAW
20 FIRM, FROM DECEMBER 2002 THROUGH THE PRESENT
21 DATE FOR NON-LITIGATION CREDIT IMPROVEMENT OR
22 CREDIT REPAIR AS STATED IN THE COURT'S MAY 23,
23 2007 ORDER GRANTING PARTIAL SUMMARY JUDGMENT,
24 I, OR MY LAW FIRM, RECEIVED PAYMENT ON SUCH
25 CONTRACTS BEFORE SUCH SERVICES WERE FULLY

1 PERFORMED AS FOUND BY THE COURT IN ITS MAY 23,
2 2007 ORDER GRANTING PARTIAL SUMMARY JUDGMENT
3 FROM" A BLANK NUMBER OF INDIVIDUALS. AGAIN, TO BE
4 COMPLETED BY MR. RECCHIA.

5 (3) OF THE TOTAL NUMBER OF INDIVIDUALS WHO
6 ENTERED INTO A CONTRACT WITH ME OR WITH MY LAW
7 FIRM FROM DECEMBER 2002 THROUGH THE PRESENT
8 DATE FOR NON-LITIGATION CREDIT IMPROVEMENT OR
9 CREDIT REPAIR AS STATED IN THE COURT'S MAY 23,
10 2007 ORDER GRANTING PARTIAL SUMMARY JUDGMENT, I
11 OR MY LAW FIRM RECEIVED PAYMENT ON SUCH CONTRACTS
12 ONLY AFTER SUCH SERVICES WERE FULLY PERFORMED AS
13 FOUND BY THE COURT IN ITS MAY 23, 2007 ORDER
14 GRANTING PARTIAL SUMMARY JUDGMENT FROM" A BLANK
15 NUMBER OF INDIVIDUALS.

16 "AND NO MONEY WHATSOEVER WAS RECEIVED UPFRONT
17 OR BEFORE SUCH SERVICES WERE FULLY PERFORMED
18 AS FOUND BY THE COURT IN ITS MAY 23, 2007 ORDER
19 GRANTING PARTIAL SUMMARY JUDGMENT FROM ANY OF
20 THESE INDIVIDUALS." AND, AGAIN, THAT BLANK IS TO
21 BE FILLED IN BY MR. RECCHIA. IT SHOULD REFLECT THE DATE AND
22 A SIGNATURE OF PETER L. RECCHIA.

23 MR. RECCHIA: AND, YOUR HONOR, FOR CLARIFICATION --

24 THE COURT: MR. RECCHIA IS SPEAKING.

25 MR. RECCHIA: THANK YOU.

1 -- THAT WILL BE TYPED UP BY MR. STEMLER AND
2 PROVIDED OVER TO MR. PIETRO.

3 THE COURT: YES.

4 AND THAT WILL BE DONE BY WHEN, MR. STEMLER?

5 MR. STEMLER: JULY 6TH.

6 THE COURT: WELL, HE'S GOING TO BE RETURNING IT TO
7 YOU BY JULY 6TH. BY WHAT DATE CAN YOU JUST HAVE IT TYPED UP
8 AND EITHER EMAILED OR FAXED TO HIM SO THAT HE CAN FILL IT IN.

9 MR. STEMLER: JULY 2ND.

10 THE COURT: JULY 2ND. ALL RIGHT.

11 THE NUMBER INSERTED INTO THE DECLARATION AT
12 PARAGRAPH 2 OF THE DECLARATION I JUST READ ATTESTS TO THE
13 NUMBER OF CLASS MEMBERS UPON WHICH THE PARTIES AGREE.

14 AND THAT'S PARAGRAPH 2.

15 "THE PARTIES AGREE THAT THE NUMBER INSERTED BY
16 DEFENDANT PETER L. RECCHIA INTO PARAGRAPH 2 OF THE
17 DECLARATION PROVIDED BY PLAINTIFF'S COUNSEL IS THE NUMBER OF
18 CLASS MEMBERS.

19 NEXT.

20 "DEFENDANT PETER L. RECCHIA AGREES TO PAY THE SUM
21 OF \$600 PER CLASS MEMBER. ANY FUNDS FROM THIS POOL NOT
22 DISTRIBUTED TO CLASS MEMBERS, FOR EXAMPLE, BECAUSE THEY OPT
23 OUT OR CANNOT BE LOCATED, SHALL BE PLACED IN A CY-PRES
24 ACCOUNT, AND DISTRIBUTED BY THE THIRD-PARTY ADMINISTRATOR TO
25 THE NATIONAL CONSUMER LAW CENTER.

1 4. "DEFENDANT PETER L. RECCHIA AGREES TO PAY \$5,000
2 TO PLAINTIFF CLASS REPRESENTATIVE PHILIP RANNIS.

3 5. "THE COURT SHALL DETERMINE PLAINTIFF'S
4 REASONABLE ATTORNEY'S FEES AND COSTS SUBJECT TO APPEAL.

5 6. "PLAINTIFF WAIVES ANY OTHER DAMAGES AND
6 PREJUDGMENT INTEREST.

7 7. "DEFENDANT FAIR CREDIT LAWYERS, INC. AND PETER
8 L. RECCHIA AGREE TO WAIVE COSTS.

9 8. "DEFENDANT PETER L. RECCHIA AGREES TO PROVIDE TO
10 THE THIRD-PARTY ADMINISTRATOR A LIST OF CLASS MEMBERS AND ANY
11 CONTACT INFORMATION HE HAS FOR SUCH INDIVIDUALS.

12 9. "THE DISSEMINATION OF THE POST OPT-OUT LIST OF
13 CLASS MEMBERS IS TO BE DETERMINED BY THE ASSIGNED DISTRICT
14 JUDGE.

15 10. "DEFENDANT PETER L. RECCHIA RESERVES THE RIGHT
16 TO APPEAL LIABILITY, ATTORNEY'S FEES AND COST ISSUES.

17 11. "DEFENDANT PETER L. RECCHIA WAIVES HIS RIGHT TO
18 APPEAL DAMAGES.

19 12. "PLAINTIFF WILL PREPARE AND PROVIDE TO
20 DEFENDANT'S COUNSEL A DRAFT SETTLEMENT NOTICE TO THE CLASS BY
21 JULY 9, 2007.

22 "DEFENDANTS WILL PROVIDE TO PLAINTIFF'S COUNSEL ANY
23 COMMENTS AND PROPOSED REVISIONS THERETO BY JULY 16, 2007.
24 THE PARTIES SHALL MEET AND CONFER IN AN ATTEMPT TO FINALIZE
25 THE TERMS OF THE NOTICE ON OR BEFORE JULY 23, 2007.

1 "IF THE PARTIES ARE UNABLE TO AGREE UPON THE
2 SETTLEMENT NOTICE, THEY SHALL PREPARE A JOINT STIPULATION AND
3 NOTICE THE MATTER FOR HEARING BEFORE THE ASSIGNED DISTRICT
4 JUDGE PURSUANT TO THE LOCAL RULES.

5 13. "PURSUANT TO FEDERAL RULE OF CIVIL PROCEDURE
6 23(E)(2), THE PARTIES SHALL FORTHWITH FILE A STATEMENT WITH
7 THE COURT IDENTIFYING THIS AGREEMENT MADE IN CONNECTION WITH
8 THE PROPOSED SETTLEMENT.

9 14. "THE PARTIES SHALL ALSO FORTHWITH NOTIFY THE
10 ASSIGNED DISTRICT JUDGE OF THE MATTERS CURRENTLY PENDING
11 BEFORE THAT COURT WHICH NO LONGER NEED TO BE RESOLVED BY THE
12 COURT; THOSE MATTERS CURRENTLY PENDING BEFORE THAT COURT
13 WHICH STILL NEED TO BE RESOLVED; AND THOSE MATTERS WITH A
14 PROPOSED SCHEDULE WHICH THE PARTIES ANTICIPATE WILL NEED TO
15 BE SCHEDULED WITH THE COURT IN THE FUTURE."

16 I'M GOING TO ASK EACH OF YOU INDIVIDUALLY.

17 DO YOU AGREE THAT I HAVE ACCURATELY STATED ALL
18 TERMS OF THE PROPOSED SETTLEMENT AGREEMENT TO BE SUBMITTED
19 FOR PRELIMINARY AND FINAL APPROVAL TO THE ASSIGNED DISTRICT
20 JUDGE.

21 MR. RECCHIA.

22 (COUNSEL CONFERRING.)

23 MR. RECCHIA: THAT'S FINE, YOUR HONOR.

24 THE COURT: YOU AGREE THAT I'VE ACCURATELY STATED
25 THE TERMS.

1 MR. RECCHIA: I'M SORRY. THANK YOU. YES, I AGREE.

2 THE COURT: ALL RIGHT. MR. PIETRO, YOU AGREE?

3 MR. PIETRO: YES, YOUR HONOR, I AGREE.

4 THE COURT: MR. STEMLER.

5 MR. STEMLER: YES, I AGREE.

6 THE COURT: MR. RANNIS.

7 MR. RANNIS: AGREED.

8 THE COURT: ALL RIGHT. AND LET ME JUST CLARIFY FOR

9 THE RECORD, MR. RECCHIA AND MR. PIETRO, YOU'RE STATING YOUR

10 AGREEMENT BOTH ON BEHALF OF MR. RECCHIA AS WELL AS ON BEHALF

11 OF DEFENDANT FAIR CREDIT LAWYERS, INC.

12 DO I HAVE THAT CORRECT, MR. RECCHIA?

13 MR. RECCHIA: THAT IS CORRECT, YOUR HONOR.

14 THE COURT: MR. PIETRO.

15 MR. PIETRO: YES, YOUR HONOR. AND ON BEHALF OF THE

16 DBA AS WELL, CORRECT?

17 THE COURT: ON BEHALF OF THE DBA AS WELL, YES.

18 AND YOU AGREE WITH THAT, MR. RECCHIA?

19 MR. RECCHIA: YES, I DO, YOUR HONOR.

20 THE COURT: ALL RIGHT. ANYTHING FURTHER BEFORE WE

21 GO OFF THE RECORD AT THIS TIME?

22 HEARING NOTHING, THIS MATTER IS NOW CONCLUDED.

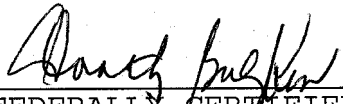
23 MR. STEMLER: THANK YOU, YOUR HONOR.


24 MR. RECCHIA: THANKS SO MUCH.

25 (PROCEEDINGS CONCLUDED.)

C E R T I F I C A T E

I CERTIFY THAT THE FOREGOING IS A CORRECT
TRANSCRIPT FROM THE ELECTRONIC SOUND RECORDING OF THE
PROCEEDINGS IN THE ABOVE-ENTITLED MATTER.


FEDERALLY CERTIFIED TRANSCRIBER
DOROTHY BABYKIN


DATED